

## **Budget 2019 Measures to Reaffirm Canada's Commitments to the Most Vulnerable**



Written Submission for the Pre-Budget Consultations  
in Advance of the 2019 Budget

**By: World Vision Canada**

## World Vision's Recommendations for Budget 2019

- **Recommendation 1:** That the government re-affirms the \$2 billion commitment to the International Assistance Envelope made in Budget 2018 and clearly signals a commitment to increase international assistance, beyond 2023-24, to ensure the success of Canada's long-term development goals.
- **Recommendation 2:** That the government articulates how the new and additional \$2 billion for international assistance announced in Budget 2018 will be allocated, including:
  - **Recommendation 2.1:** That the government allocate a proportion of the new \$400 million earmarked for the International Assistance Envelope in 2020-21 to women's, children's, and adolescents' health and nutrition in 2020-21. In addition, Budget 2019 should signal the need for future commitments in women's, children's, and adolescents' health and nutrition beyond 2020, when the Government's current funding sunsets;
  - **Recommendation 2.2:** That the government double down on long-term assistance in fragile contexts by increasing Canada's financial support to long-term development approaches in fragile contexts, aiming to become a top three donor in at least half of globally identified fragile countries over the next three years;
  - **Recommendation 2.3:** That the government reaffirms that \$200 million of the \$400 million for educating girls in crisis be new and additional money to the International Assistance Envelope over and above the \$2 billion increase announced in Budget 2018.

In a time where Canada's productivity and competitiveness are intricately linked with global political and trade structures and challenged by increasingly complex political and economic unrest, Canada's federal budget must facilitate stable, inspirational and collaborative Canadian leadership on the world stage. A clear avenue for action with a return on investment for Canada's partners and Canadians is through continued and, increased investment in international assistance that focuses on the most vulnerable in fragile contexts, including by advancing gender equality.

We are now pleased to **provide this pre-budget submission** in support of our recommendations on how Canada can realize this critical vision.

**Recommendation 1: That the government re-affirms the \$2 billion commitment to the International Assistance Envelope made in Budget 2018 and clearly signals a commitment to increase international assistance, beyond 2023-24, to ensure the success of Canada's long-term development goals.**

The 2018 federal budget included a more robust chapter on international development than previous budgets, including how Canada is working to address and contribute to the Sustainable Development Goals (SDGs) and to help **implement its Feminist International Assistance Policy**. We were pleased to see included in this chapter a commitment of \$2 billion of new and additional money to Canada's International Assistance Envelope over five years beginning in 2018-19. This is an important step in the right direction towards **long-term sustainable international assistance**. Predictable, long term commitments are critical to deliver on **Canada's global mandate** to reach the most vulnerable people and in fragile contexts, and for Canada to make a **meaningful contribution to the SDGs**.

However, we know that an estimated **additional US\$5–7 trillion will be required to meet the SDGs**. It is estimated that the international community will need to **roughly double the volume of international concessional public finance** – this includes Official Development Assistance (ODA) – to meet the SDGs<sup>1</sup>. While other sources of financing, including from the private sector, will need to contribute to meeting the SDGs, ODA is a critical piece of the puzzle, and the financial burden will become lower if it is spread across all high-income countries<sup>2</sup>.

In addition to reaching those most vulnerable in developing countries, and helping to build capacity overseas, investing in international assistance is good for Canada and Canadians. Recent studies<sup>3</sup> of other countries' aid spending, including the U.K, have seen positive associations between aid spending, national economic growth, and decreased conflict in the recipient country and in the donor country.

**Specifically, an analysis of the U.K.'s bilateral aid spending showed that every \$1 leads to a \$0.22 increase in UK exports.**

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<sup>1</sup> <http://www.sustainablegoals.org.uk/funding-the-sdgs/>

<sup>2</sup> Ibid.

<sup>3</sup> Mendez-Parra, M. and Willem de Velde, D. (2017a). Aid, exports, and employment in the UK. ODI Briefing Note, Overseas Development Institute. <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11521.pdf>

To **solidify Canada's ambition**, we recommend that the Government of Canada, in Budget 2019, both **re-affirm existing commitments** and clearly signal the intent to continue these increases beyond 2023, when Budget 2018 commitments are scheduled to end.

**Recommendation 2: That the government articulate how the new and additional \$2 billion for international assistance announced in Budget 2018 will be allocated, specifically for women and children's health, fragile contexts, and education for girls in crisis.**

**Recommendation 2.1 That the government allocate a proportion of the earmarked 2020-21 IAE increase to health and nutrition and signal the need for future commitments in women's, children's, and adolescents' health and nutrition beyond 2020, when the Government's current funding sunsets.**

Canada has been a historical leader in women and children's health and nutrition. At the 2010 G7 Muskoka Summit, Canada helped to mobilize \$3.5 billion amongst the leaders to support the Millennium Development Goal to drastically drop the rates of maternal and child deaths worldwide. In order to **expand these gains**, in March 2017, the government announced \$650 million to sexual and reproductive health and rights, followed by the release of a clear policy framework in the Feminist International Assistance Policy and further new financial commitments to deliver on women and girls' empowerment and rights. These are exciting commitments that are making an **impact in the lives of the most vulnerable people** – primarily women and girls.

From our many years of experience working with women and children, we have seen drastic improvements in the lives of individuals and their communities. **Though progress has been made, important work lays ahead.** The statistics remain unacceptable: nearly six million children under the age of five die every year from preventable causes, and 800 women die every day from pregnancy and childbirth complications. We know that providing access to basic health and nutrition services to young children, continuing with adolescent girls, and to pregnant women, is a prerequisite to a healthy and empowered life. **For example, malnutrition costs the global economy \$3.5 trillion every year. Every dollar invested in nutrition yields approximately \$16 in returns.** The government's existing health and nutrition commitments are scheduled to expire in 2019-2020.

According to leading economists, **achieving the SDG health and nutrition targets would require new investments increasing over time from an initial US\$ 134 billion annually to \$371 billion<sup>4</sup>.** This reiterates the need to commit to long-term increases to international assistance.

We recommend that a proportion of the new \$400 million earmarked for the International Assistance Envelope in 2020-21 be **allocated to women's, children's, and adolescents' health and nutrition in 2020-21. In addition, Budget 2019 should signal the need for**

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<sup>4</sup> <http://www.who.int/mediacentre/news/releases/2017/cost-health-targets/en/>

**future commitments in women's, children's, and adolescents' health and nutrition beyond 2020, when the Government's current funding sunsets.** This will ensure that these impacts can be continued, sustained and meaningfully contribute to the government's focus on gender equality and women and girls' empowerment.

**Recommendation 2.2 That the government double down on long-term assistance in fragile contexts**

Despite a significant increase in humanitarian funding globally, there is still an estimated gap of US\$15 billion per year. The duration of humanitarian crises is also growing; over 90% of humanitarian appeals now last longer than three years, with an average length of seven years. On average, families caught in protracted conflicts can spend 26 years as refugees or as internally displaced people; **children may spend their entire childhood in a situation of chronic insecurity.**

In this context of growing need, we appreciate the Government of Canada's recognition of the importance of sustained and increased humanitarian funding. Canada's response to humanitarian disasters is an area of growing fiscal importance. The establishment of a **separate funding pool** of \$738 million per year for humanitarian assistance brings the budget for humanitarian response in line with the typical expenditures of the past several years.

While this clarity on humanitarian funding is much welcome, given the immense structural political, economic, and social challenges faced by fragile states, Canada will need to **double down** not only on life-saving humanitarian assistance but also on **longer-term assistance in fragile contexts to help bridge the divide between humanitarian assistance and broader development efforts.** Based on our own experience, we know that reaching those currently unreached and targeting our development work in fragile contexts costs more. For example, the costs of educating a child in a crisis situation averages \$156 per child, with domestic resources currently contributing at least \$43 per child, resulting in a financing gap of \$113 per child. As well, in humanitarian settings, women, adolescents, and children account for at least 75 percent of those displaced.

We recommend that Canada **increase its financial support to long-term development approaches in fragile contexts, aiming to become a top three donor in at least half of globally identified fragile countries over the next three years.** An increase of this kind would directly contribute to fulfilling the Minister of International Development and Francophonie's mandate to "refocus Canada's development assistance on helping the poorest and most vulnerable, and supporting fragile states".

**Recommendation 2.3. That the government reaffirms G7 commitments to girls' education in conflict and crisis**

In addition to the new and additional funding to the IAE in Budget 2018, Canada took another important step at the G7 Summit in June. With our partners, we were excited to contribute to Canada's **historic decision** to announce a total of US \$3.8 billion, **\$400 million from Canada to support girls' education in conflict and crisis.** These funds and the political

commitments made in the Leaders' Communique and the accompanying Charlevoix Declaration on Quality Education for Girls, Adolescent Girls and Women in Developing Countries directly aligns with the Feminist International Assistance Policy's focus on targeting women and girls in fragile contexts. It demonstrates to Canada's partners that we take our commitment to gender equality and women's empowerment seriously.

We were proud to be part of this initiative and recommend that Canada, in Budget 2019, **reaffirm that \$200 million of the \$400 million be new and additional money** to the International Assistance Envelope over and above the \$2 billion increase announced in Budget 2018.

## Summary

**In Budget 2019, Canada has an opportunity to demonstrate its global competitive edge by ambitiously articulating what more is needed in international assistance to create long-term impact.** Based on our extensive experience as a global development, relief, and advocacy organization, we know that reaching those most in need often requires more and riskier investments. By providing a clear policy framework and committing to new and additional funds to international assistance, Canada is demonstrating leadership on the world stage. This will meaningfully contribute to saving more lives, promoting the rights of the most vulnerable, strengthening communities, addressing systemic inequality, educating more girls, and reducing conflict, thereby creating a safer and more prosperous world, while also creating clear returns for Canada and Canadians.

To discuss these recommendations in more detail, we would welcome the opportunity to appear before the Finance Committee in the Fall 2018 pre-budget consultation period.

Thank you for this opportunity to help shape the 2019 Federal Budget and for considering our recommendations.



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*World Vision is a Christian relief, development, and advocacy organization working to create lasting change in the lives of children, families, and communities to overcome poverty and injustice. Inspired by our Christian values, World Vision is dedicated to working with the world's most vulnerable people regardless of religion, race, ethnicity, or gender.*

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